

Memorandum



Date: July 24, 2007

To: Honorable Chairman Bruno A. Barreiro
and Members, Board of County Commissioners

From: George M. Burgess
County Manager

A handwritten signature in black ink, appearing to read "G. Burgess", written over the printed name of George M. Burgess.

Subject: Supplement: Ordinance Amending Rental Car Customer Facility Charge

Supplement to
Agenda Item No. 7(D)

Item 7D is an amendment to Section 25-4.1(f)(4) of the Miami-Dade County Code that provides for a customer facility charge (CFC) to be collected by car rental companies using the proposed Rental Car Facility at Miami International Airport. Under Section 25-4.1(f) as it currently reads, two CFCs are involved: one is for \$3.25 to be imposed up to the time the RCF is completed, and one is an unstated CFC charge to be determined once the RCF is completed and the final costs are known. The amendment reflected in your agenda kit changes the pre-completion CFC of \$3.25 to \$4.00 and fixes the post-completion CFC at an amount "not less than \$4.60," with an additional \$0.25 to be imposed in each fifth anniversary year after completion of the RCF. The amending ordinance also provides that further adjustments to the post-completion CFC can be made by the Aviation Director if necessary to meet then-existing debt service payments and other allocated operating and maintenance costs.

At the ATC, the Committee expressed concern over the "not less than \$4.60 language" as well as the Aviation Director's establishment of the post-completion CFC without input from the Board. Accordingly, the ATC requested modification of the Item 7D ordinance in two regards: first, the "not less than \$4.60" language should be changed to "not more than \$4.60"; second, the ordinance should provide for Board review and approval of the adjustment, with due consideration being given to the bond rating applicable to the \$270 million in loan funds that will be used to construct the RCF. This "bond rating" concern came about because the federally-sponsored TIFIA loan is currently rated at the lowest investment grade level and any additional negative aspect might cause the rating agencies to rate the loan at a below-investment grade level. If the bond rating agencies were not assured that the Board would approve a necessary increase in the CFCs, they would reduce the loan rating to the below-investment grade level.

After the ATC adjourned, FDOT confirmed their concerns about the language approved by the ATC. In discussions with the Chairperson of the ATC following the ATC meeting, FDOT suggested additional language that FDOT believed would be acceptable to the rating agencies but could not give assurances that even that language would be acceptable. On the next day, FDOT learned from the rating agencies that the rating agencies would accept the "provided however" language at the end of the following paragraph:

(4) The Operational Directive shall require all car rental companies operating within the Rental Car Facility to charge and collect from their customers, commencing on and after the date on which the Rental Car Facility is operational, a Customer Facility Charge in >>the amount of not more than four dollars and sixty cents (\$4.60) per day per car rental

contract, and every fifth anniversary after such commencement date to increase such amount by an additional twenty-five cents (\$0.25) per day per car rental contract, such Customer Facility Charge amounts to be further adjusted periodically so as to enable the County to meet all<< [[an amount not less than the amount required to discharge the County's responsibilities and liabilities under agreements with the Florida Department of Transportation and sufficient to defray]] debt service >>payments<< on any loans for the acquisition of the property for and the design and construction of the Rental Car Facility, as well as operating and maintenance expenses related to the Rental Car Facility and allocated operating and maintenance expenses attributable to the MIC-MIA people mover system connecting the Rental Car Facility with the Airport's Terminal Building; provided, however, that any such periodic adjustments other than the \$0.25 adjustment every five years shall be presented to the Board for its review and approval, such adjustments to be approved if they are in accordance with the requirements of the Concession Agreement between the County and the participating car rental companies, the TIFIA Loan Agreement, and the determinations of anticipated debt service payments, operating and maintenance expenses of the RCF, and allocated expenses of the people mover system made thereunder.

I therefore recommend that the ordinance in Item 7(D) Substitute be further amended by changing Section 25-4.1(f)(4) in the manner set forth above in order to give reasonable assurance to the bond rating agencies while preserving to the Board its review and approval of the post-completion CFCs. The remainder of the ordinance is acceptable to FDOT and the bond rating agencies.


Assistant County Manager